

the attention of the school board was informed that these transactions were none of my business. I was then transferred to the discount and exchange department, where I came in contact with conditions that have led up to the present investigation.

"The dealings of Mr. Dougherty in this department were carried on in this way:—

"He would bring in checks signed by himself and President Meule, for large amounts, most of them in excess of \$2000. In most instances they would be payable to A. H. Andrews & Co., of Chicago, manufacturers of school furniture, or to Nelson & Co., of St. Louis, plumbers. With these checks, he would buy New York, Chicago or St. Louis drafts, made payable to his order.

"After I had been working some time in this department, I became suspicious of these transactions and thought I would look up the indorsements on the drafts. Upon investigation I found that, after being issued to his own order, he had used them in a way that called for investigation.

"It was Mr. Dougherty's custom to introduce the School Board checks payable to local firms with their names, which looked to me suspicious. He would also sign the names of the outside firms—A. H. Andrews & Co. and Nelson & Co., usually putting his initials under.

RECORD FOR HIMSELF.

"After ascertaining how these drafts made payable to Mr. Dougherty and bought with School Board funds were going to private concerns, mostly in the West, in which he was interested, I began to keep a record of them, and the last time that National Bank Examiner Cook went over the accounts I